

State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098 Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

> C. L. "BUTCH" OTTER Governor DAVID R. TUTHILL, JR. Interim Director

June 1, 2007

JOHN K. SIMPSON BARKER ROSHOLT & SIMPSON LLP 1010 W. JEFFERSON, SUITE 102 BOISE ID 83701

MICHAEL C. CREAMER GIVENS PURSLEY 601 W BANNOCK PO BOX 2720 BOISE ID 83701

Re: Dairymen's Mitigation Agreement

Dear Mr. Simpson and Mr. Creamer:

Staff of the Idaho Department of Water Resources (Department) reviewed the "Dairymen's Mitigation Agreement" ("the Dairymen plan" or "the plan") submitted on April 13, 2007, and information submitted at and subsequent to the Informational Status Conference held on May 2, 2007. As discussed at the status conference, the plan will be assessed in a two-phased process. Phase one addresses the acceptability of the proposal as a replacement water plan for 2007. Phase two addresses the acceptability for the proposal as a longer-term mitigation plan, under the Department's Conjunctive Management Rules. In light of these two phases, we have the following concerns:

Mitigation Acres

The Department supports the concept of drying up acres to offset aquifer depletions. To ensure that the acres nominated for voluntary curtailment effectively mitigate for depletions, the Department needs specific information about each acre. Minimum required information for any Mitigation Acre shall include:

- A standard PLS legal description of each tract to quarter-quarter designation, with number of mitigation acres per quarter-quarter noted;
- Clear maps or digitized images or shape files showing exact locations of mitigation acres within each quarter-quarter;

- Identification of all appurtenant water rights and any other sources of water used on the land, including canal shares;
- Identification of points of diversion and current owners of the water rights and lands; and
- Use of the land for years 2005 and 2006.

Aside from maps, all information shall be assembled in electronic spreadsheet format. The Department will review all candidate Mitigation Acres to be provided under the Mitigation Agreement and compute consumption for those acres using the METRIC model. For mixed-source irrigated acres, the Department will also compare METRIC results with available ground water withdrawal data to determine actual ground water depletion as a percentage of total consumption. Ground water diversions with incomplete measurement records may not receive the full credit allowable. An acceptable alternative to METRIC for calculating net evapotranspiration (ET) is to use information provided with the May 2004 Aquifer Model training and calculate net ET as average ET less average precipitation. Using May 2004 Aquifer Model training data is consistent with previous analysis by Department staff and uses readily available information.

Participating Dairies

As soon as practicable, the Department requires a list of participating dairy facilities, current owners and their contact information, and all water rights to be protected under the Dairymen's Mitigation Agreement. Updates to the list must be submitted in a timely fashion if additional signups occur. The list should include the number of mature dairy cows for each owner/operator in 2007.

Dairy Consumptive Use

The Department believes that 29.1 gallons per cow per day underestimates dairy consumptive use. Given the lack of published water usage data for dairies in southern Idaho, the Department considers annual volumes obtained from calibrated flow meter readings to be the best data to determine ground water consumption at dairy facilities. Therefore, actual flow meter readings should be submitted as the consumptive volume for dairy facilities that intend to become party to the plan. For facilities that do not have a flow meter and a full year of calibrated meter readings, consumption should be estimated by multiplying the number of cows at that facility by 74 gallons per day. Dairy facilities may substitute other site-specific information in lieu of 74 gallons per day for Department consideration.

¹ Based on an assessment of flow meter readings taken from 23 dairies included in the list submitted with Exhibit B of the Dairymen's Mitigation Agreement, the Department determined that the average volume of water consumed per mature dairy cow on a daily basis at these facilities in 2005 was 74 gallons. The 23 dairies were selected based on a difference of two percent or less between the facility meter reading and a calibrated Department flow meter. The Department analysis relied upon actual flow measurements with no assumptions or estimates for consumption or water use in parlors. The meter readings record withdrawal for replacement heifers, young heifers, or any other type of use that may occur at a dairy facility. In addition, the Department assumes that ground water withdrawal for dairy facilities is totally consumptive and that the water usage rate has not changed significantly in 2007.

The calculated Total Consumptive Volume for the Mitigating Dairymen is 23,252 acrefeet/year if the total number of cows reported in Appendix B for 2007 (2007 Study Animal # 280,502) is multiplied by 74 gallons per day. Unless additional site-specific information demonstrates otherwise, the Mitigating Dairymen need to acquire sufficient Mitigating Acres with appurtenant Mitigating Water Rights to mitigate for 23,252 acre-feet of Aggregate Annual Depletions.

Water Replacement

The proposal does not establish:

- The timing of delivery of replacement water;
- The concept and plan for how the leased water provides mitigation for the delivery calls made by the Surface Water Coalition and those in the Thousand Springs area.

If the intention is for recharge in the Thousand Springs area, the Department also requests:

- A demonstration of the physical capability of the sites to recharge water into the ground at needed rates;
- Location(s) of proposed recharge sites;
- Water quality monitoring activities approved by the Idaho Department of Environmental Quality, if the proposed recharge is to be outside normally used delivery systems.

As a result of the above gaps in supporting information, the Department cannot yet determine the acceptability of the replacement proposal.

Motion To Exclude The Mitigating Dairymen From Any Curtailment Order

The Department cannot at this time exclude the Mitigating Dairymen from any other curtailment order except with respect to delivery calls by parties signatory to this agreement. It is possible that the location of the lands identified for voluntary curtailment will not adequately mitigate for a future call. The Department must provide persons not party to the present agreement with an opportunity to object to the adequacy of the mitigation plan before it can be formally approved.

Conclusion

The Department supports the concept of offsetting aquifer depletions by voluntarily drying up ground-water irrigated lands. However, the Department believes that an estimated consumptive use by dairy facilities of 29.1 gallons/cow/day significantly underestimates dairy consumptive use and proposes 74 gallons/cow/day based on calibrated meter readings.

The Department needs more information to evaluate the replacement water plan proposed for the initial years of the plan.

This letter is a request for additional information to respond to the deficiencies identified above. Please submit the additional information on or before **June 20, 2007**, to provide for assessment of phase one, the acceptability of the proposal as a replacement water plan for 2007. As you are aware, in order to formally consider the mitigation plan under the Rules for Conjunctive Management of Surface and Ground Water Resources, we must provide notice, hold a hearing as determined necessary, and consider the plan under the procedural provisions of Section 42-222, Idaho Code, in the same manner as applications to transfer water rights.

Sincerely,

David R. Tuthell, Jr.

Director

cc. Distribution List

COMBINED CERTIFICATE OF SERVICE FOR SURFACE WATER COALITION, BLUE LAKES TROUT FARM AND CLEAR SPRINGS FOODS, INC.

I HEREBY CERTIFY that on this ______ day of June, 2007, the foregoing letters dated June 1, 2007, regarding the Dairymen's Mitigation Agreement and the WMC Mitigation Agreement were served in the following manner:

ment were served in the following mainter.	
RANDY BUDGE RACINE OLSON PO BOX 1391 POCATELLO ID 83204-1391 rcb@racinelaw.net	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
DANIEL V. STEENSON CHARLES L. HONSINGER RINGERT CLARK PO BOX 2773 BOISE ID 83701-2773 dvs@ringertclark.com clh@ringertclark.com	(U.S. Mail, Postage Prepaid () Facsimile (Æ-mail
GREGORY KASLO BLUE LAKES TROUT FARM PO BOX 72 BUHL ID 83316-0072 gkaslo@rmci.net	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
ANGYE LEAVITT NORTH SNAKE GWD 152 EAST MAIN STREET JEROME ID 83338 nsgwd@safelink.net	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
PAM MILLER MAGIC VALLEY GWD 809 EAST 1000 NORTH RUPERT ID 83350-9537 pkmiller@pmt.org	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
MICHAEL S. GILMORE ATTORNEY GENERAL'S OFFICE PO BOX 83720 BOISE ID 83720-0010 mike.gilmore@ag.idaho.gov	() U.S. Mail, Postage Prepaid () Facsimile () E-mail

SCOTT CAMPBELL MOFFATT THOMAS PO BOX 829 BOISE ID 83701 slc@moffatt.com	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
FRANK ERWIN WATERMASTER WATER DIST 36 2628 SOUTH 975 EAST HAGERMAN ID 83332	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
ALLEN MERRITT CINDY YENTER WATERMASTER - WD 130 IDWR - SOUTHERN REGION 1341 FILLMORE STREET SUITE 200 TWIN FALLS ID 83301-3380 allen.merritt@idwr.idaho.gov cindy.yenter@idwr.idaho.gov	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
JOHN SIMPSON BARKER ROSHOLT PO BOX 2139 BOISE ID 83701-2139 jks@idahowaters.com	(✓ U.S. Mail, Postage Prepaid() Facsimile(∠E-mail
LARRY COPE CLEAR SPRINGS FOODS PO BOX 712 BUHL ID 83316-0712 larryc@clearsprings.com	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
TOM ARKOOSH ARKOOSH LAW OFFICES PO BOX 32 GOODING ID 83330 (208) 934-8873 alo@cableone.net	() U.S Mail, Postage Prepaid () Facsimile () E-mail
W. KENT FLETCHER FLETCHER LAW OFFICE PO BOX 248 BURLEY ID 83318-0248 (208) 878-2548 wkf@pmt.org	() U.S. Mail, Postage Prepaid () Facsimile () E-mail

ROGER D. LING LING ROBINSON PO BOX 396 RUPERT ID 83350-0396 (208) 436-6804 Inrlaw@pmt.org	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
JOHN ROSHOLT TRAVIS THOMPSON BARKER ROSHOLT 113 MAIN AVE WEST STE 303 TWIN FALLS ID 83301-6167 (208) 735-2444 jar@idahowaters.com tlt@idahowaters.com	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
MIKE CREAMER GIVENS PURSLEY PO BOX 2720 BOISE ID 83701 mcc@givenspursley.com	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
KATHLEEN CARR U.S. DEPT INTERIOR 960 BROADWAY STE 400 BOISE ID 83706 (208) 334-1378	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
MATT HOWARD US BUREAU OF RECLAMATION 1150 N CURTIS ROAD BOISE ID 83706-1234 (208) 378-5003 mhoward@pn.usbr.gov	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
LYLE SWANK IDWR 900 N SKYLINE DR IDAHO FALLS ID 83402-6105 (208) 525-7177 lyle.swank@idwr.idaho.gov	() U.S. Mail, Postage Prepaid () Facsimile () E-mail
JOSEPHINE BEEMAN BEEMAN & ASSOC. 409 W JEFFERSON BOISE ID 83702 (208) 331-0954 jo.beeman@beemanlaw.com	() U.S. Mail, Postage Prepaid () Facsimile () E-mail

(U.S. Mail, Postage Prepaid **TERRY UHLING** () Facsimile JR SIMPLOT CO 999 MAIN STREET () E-mail **BOISE ID 83702** tuhling@simplot.com (JU.S. Mail, Postage Prepaid SARAH KLAHN () Facsimile WILLIAM A HILLHOUSE II AMY W BEATIE (YE-mail WHITE JANKOWSKI 511 16TH ST STE 500 DENVER CO 80202 sarahk@white-jankowski.com billh@white-jankowski.com amyb@white-jankowski.com (\(\subseteq U.S. Mail, Postage Prepaid \) JAMES TUCKER () Facsimile **IDAHO POWER CO** (E-mail 1221 W IDAHO ST BOISE ID 83702 jamestucker@idahopower.com (U.S. Mail, Postage Prepaid JAMES LOCHHEAD ADAM DEVOE () Facsimile **BROWNSTEIN HYATT**

410 17TH ST 22ND FLOOR DENVER CO 80202 jlochhead@bhf-law.com adevoe@bhf-law.com

Victoria Wigle
Administrative Assistant to the Director
Idaho Department of Water Resources